

APPLICATION INSTRUCTIONS

SUBMITTAL INSTRUCTIONS

Applications for a grant under the HOME Homebuyer and Rehabilitation (HHR) Housing program and the Housing Cost Reduction Initiative (HCRI) Homebuyer program must follow the format prescribed below. Please number all pages of your completed application consecutively, including all appendices.

NOTE: The Application Package for the HHR and HCRI programs is composed of three parts: (1) General Program Information, (2) Application Instructions, and (3) Blank Application form.

An original and two copies of the completed application form must be submitted by ***Monday, November 12, 2012***. Applications, which are not properly completed and/or not received, postmarked, or identified by a commercial carrier processing date on or before November 12, 2012, will be returned to the sender without further consideration.

Hand delivered applications must be received at the Division of Housing by 4:00 p.m. on November 12, 2012.

Once submitted, applications are considered final.

Please submit the application to:

Betty Kalscheur, Program Manager
HCRI &HOME Housing Program
Division of Housing
Wisconsin Department of Administration
101 E. Wilson Street, 5th Floor (53703)
P. O. Box 7970
Madison, WI 53707-7970

The Division of Housing (DOH) reserves the right to amend, modify, or withdraw this application package and any of the grant program instructions or procedures contained herein. DOH may exercise such right at any time without notice and without liability to any applicant or other parties for their expenses incurred in the preparation of a proposal.

Funding through this application package is made available to eligible applicants as identified in the General Program Information section of the application package. This application package does not award funding to individual households.

TITLE PAGE AND SUBMITTAL AUTHORIZATION

The following items must be completed for an application to be considered for funding:

- ◆ the applicant name, mailing address of main office (if more than one office),
- ◆ the street address of main office,
- ◆ FEIN #.
- ◆ DUNS #
- ◆ Agency Email: Please provide the email address for the person at the agency designated to receive announcements/information pertaining grants.

Contact: Provide the name, telephone number, and email of the person who prepared the application and can answer questions related to the information contained in the application.

SUBMITTAL AUTHORIZATION: An official authorized to sign for the applicant must execute the submittal authorization. Only ORIGINAL signature will be accepted, not photocopies.

Authorizing Resolution: Local units of government applying must include a copy of the authorizing resolution passed by the Council/Board.

Total funds requested: include the total of administrative funds and housing activity funds requested for HOME Homebuyer and Rehabilitation Program and/or HCRI Homebuyer Program.

Proposal Time Span: All contracts will begin January 1, 2013. Upon signing of the contract by all parties and submission of required contract information the initial allocation of funds will be released.

A progress review will occur fall 2013. The final allocation of funds will be released based upon successful progress under the contract.

There will be NO application funding round in 2013.

All housing activity(s) undertaken under this contract must be completed no later than June 30, 2015. Grantees may complete and closeout contracts prior to the end of the performance period.

HOME CERTIFICATION FORM

The official signing the SUBMITTAL AUTHORIZATION must also review and sign the certification form regarding the use of HOME funds and lobbying. Only an ORIGINAL signature will be accepted on this document.

NOTE: There is no certification form for the HCRI program.

SECTION A: INTERAGENCY COOPERATION

Collaborative Application

Complete questions 1-3 only if more than one agency will be responsible for administering funds received with this proposal. Do NOT complete this section if the applicant will be administering the entire contract or will be selecting a consultant for administrative services.

1. List the names of all collaborating agencies, including the applicant. Identify the activity for which the funds will be used (homebuyer, owner rehab, rental). Indicate total amount (housing plus administration) that each agency will receive if the application is funded as presented.

Include a letter signed by each participating agency that outlines the terms of the collaboration. At a minimum the **letter must be on the agency's letterhead, dated within 3 months of application submission**, and should include information on activities, service area, and percentage of total housing and administrative funding to be received.

For example:

AGENCY NAME	ACTIVITY	AMOUNT (\$)
Sure Lock Homes	New Construction	100,000.00
ABCAP, Inc.	Rental Rehab	100,000.00
Home Fixers, Inc.	Owner Rehab	175,000.00
TOTAL		375,000.00

2. Describe the payment method from the applicant to collaborating member(s).
For example, does each agency receive a specific dollar amount or percentage of the award; each agency undertakes specific activities and administers the funds associated with that activity. How will administrative funds be paid out to each collaborating agency?
3. Who retains program income?
Are repayments available to participating agencies or only to applicant agency?

Working Agreements

List other agencies with which you have understandings or agreements. These understandings/agreements may relate to either services or referrals. Include a letter from each agency **on agency letterhead and dated within 3 months of application submission** outlining the agreement.

Applications must include documentation of contact with CDBG grantees, Independent Living Center(s), local public health agencies, and/or Weatherization service providers in your service area. The following websites will provide contact information:

CDBG-Revolving Loan Fund Communities:

<http://doa.wi.gov/category.asp?linkcatid=1069&linkid=212&locid=173>

Independent Living Centers: <http://www.dhs.wisconsin.gov/disabilities/Physical/ILCS.HTM>

Weatherization agencies: <http://weatherize.org/statelist/statelistWI.html>

Public Health Agencies: <http://www.dhs.wisconsin.gov/localhealth/index.htm>

The 2011 CDBG Grantees include:

Balsam Lake, Village of (Polk Co.)
Bonduel, Village of (Shawano Co.)
Columbia County
Crawford County
Dupont, Town of (Waupaca Co.)
Eau Claire County
Iron County
Langlade County

Pierce County
Plymouth, City of (Sheboygan Co.)
Portage, City of (Columbia Co.)
Randolph, Village (Dodge/Columbia Co.)
Rusk, County of
Sharon, Village of (Walworth Co.)
Sparta, City of
Stevens Point, City of (Portage Co.)

Use of HOME funds in 2011 CDBG-funded areas should be limited to activities not being funded by CDBG or for use when CDBG funds have been exhausted.

If an agency with which you have a collaborative or working agreement is contributing match or leverage funds that will be used in conjunction with the HOME/HCRI funds proposed in this application, include that information in Section D: Other Resources.

Working Agreements Example

AGENCY	RELATIONSHIP	APPENDIX PAGE
Sauk Co. Public Health	Referrals	30
Independent Living Resources	Referrals	31

SECTION B: BUDGET SUMMARY

HOME: Complete the form by supplying the amount of funding requested for each activity proposed in this application and the number of households to be assisted.

Please note:

- ◆ Funding is broken out by initial (Year 1) and final (Year 2) allocation. For a breakdown of the funding allocation by region see page 4 of GENERAL PROGRAM INFORMATION.
- ◆ HOME activities are divided between Homebuyer, Owner-occupied, and Rental housing (See pages 6-9 in GENERAL PROGRAM INFORMATION for definition of specific activities).
- ◆ Administrative funds are separate—do not include in the housing assistance line.
- ◆ Number of households to be assisted is broken out by income level and allocation year. The incomes of homebuyer and owner-occupied households receiving assistance must not exceed 80% of the county median income (CMI).
The incomes of households occupying HOME-assisted rental units must not exceed 60% CMI at time of occupancy (See Attachment A).
- ◆ Activity soft costs/delivery costs are included in the housing assistance line.

Sub-total Housing Assistance: this is the total amount of HOME housing assistance funding being requested for the proposed activities.

Administration: The maximum for HOME Non-CHDO Activity = 11% of the non-CHDO HOUSING ASSISTANCE funds requested.
The maximum for CHDO Activity = 5% of the CHDO HOUSING ASSISTANCE funds requested. It is assumed Developers fee and soft costs will be included in the housing assistance request.

Total HOME Request: this is the sum of the housing assistance requested plus the administration funds requested.

The Program Budget in the application requires the applicant to identify and budget administrative costs.

ADMINISTRATION:

Non-specific Administrative Costs:

Costs that are necessary to manage the program, but which cannot be reasonably tracked to the delivery of a specific service to a specific client or dwelling are considered non-specific administrative costs. Non-specific administrative costs relate to general program management, coordination, monitoring, and evaluation and oversight activities. Please note that:

- ◆ Total non-specific administrative costs cannot exceed 11% of the dollar amount of the Total HOME Housing Assistance Request.
- ◆ This category includes:
 - Developing program policies, procedures and forms.
 - Marketing the program.

- Bookkeeping, office rent, supplies, equipment, postage, copies.
- Preparing program reports and notices to occupants.
- Legal and audit costs.

Project Soft Costs/Delivery Costs:

Eligible project soft costs are staff and overhead costs (salary and benefits) and other costs directly related to carrying out each specific project. They are limited to the following:

- ◆ Creating and managing specific activity files of activities under contract.
- ◆ Preparing, filing, recording legal documents for specific eligible activities.
- ◆ Inspecting and testing dwellings, including: HQS inspections, Risk Assessments, Clearance Testing, well testing, septic systems, and pest inspections.
- ◆ Preparing specifications/work write-ups.
- ◆ Monitoring/inspecting rehabilitation and/or construction activities.
- ◆ Responding to client's complaints.
- ◆ Costs associated with credit reports and title searches.
- ◆ Relocation of households during the construction/rehabilitation process.

NOTE: 24 CFR 92.207(b) *Staff and overhead* details project-related “soft costs” and notes that they may be charged as administrative costs or as project costs under 92.206(d)(6). However, one method must be chosen and used consistently throughout the grant contract.

All hard costs and soft costs associated with a project must be separately tracked and detailed in each client file. All of these costs must be supported by proper documentation. The percentage of hard costs allowable as soft costs is a maximum of 15%.

The following are the requirements for methodologies associated with the tracking and payment of time spent by staff conducting work that will be charged to the unit as soft costs:

- Consultants may choose to charge an hourly rate or a per-unit cost, whatever is in the contract. The contract must detail the amount and method of compensation. The tracking would be for whatever the charge is (hours worked or units completed).
- Employees paid an hourly rate will have to keep track of hours spent on each unit. Necessary documentation will include timesheet signed by the employee and authorized by the supervisor with times and dates.

HOUSING COST REDUCTION INITIATIVE (HCRI): The HCRI budget is broken out by eligible housing activities (homebuyer assistance, foreclosure prevention), administration, and capacity building. HCRI funds are not broken down into two phases. Write the total amount you are requesting for the contract performance period.

The maximum administration for HCRI = 15% of the HCRI Housing Assistance (homebuyer and foreclosure prevention assistance) funds requested.

The maximum capacity building funding is \$3,000 with a 1:1 match.

CHDO Development Projects

Complete the table with available financial data for proposed development projects. Updated financial information may be requested at time of activity set-up.

Check your addition!

SECTION C: HCRI CAPACITY BUILDING

1. Funds requested for capacity building must enhance your agency's ability to provide assistance to HCRI clients.

Eligible costs include:

- ◆ training for staff (risk assessment, inspection, homebuyer education/counseling);
- ◆ costs for translators or translation of materials to serve clients with limited English proficiency;
- ◆ office equipment (computers and associated software, internet access, printer, copier, fax).

Maximum funding request for capacity building is \$3000. The funds requested for capacity-building activities require a 1:1 match. Total funding available for this budget item is dependent on the number and quality of applications received.

2. Tell us how this funding will enable your agency to better serve the population identified as beneficiaries of HCRI funding. Your description of the activity to be funded must include and will be evaluated on:

- ◆ commitment of other resources that will be used for this activity;
- ◆ whether this is a new service or expansion of a service currently offered;
- ◆ training activities: describe how this training will enable the applicant to provide improved assistance to housing clients.

Please limit your response to one page.

3. Complete the table in the application with information on funds that will match those requested for capacity building. Provide letter of commitment for matching funds in Appendix. Letter must include dates funds will be available.

SECTION D: OTHER RESOURCES

The resources listed as matching or leveraging the HOME/HCRI housing assistance must be directly related to the HOME/HCRI activities proposed in this application.

The chart must be completed showing the housing activity that the funds support (e.g., 1.a.Homebuyer Acquisition/Rehabilitation, 2.a. Owner-Occupied Rehabilitation, 3.b. Rental CHDO Development Activity). Under each activity describe the use of funds, the amount committed, the source of the funding, and the Appendix page where the funding commitment is documented.

See page 13 in the GENERAL PROGRAM INFORMATION for a detailed description of HOME Match and Leverage.

See page 18 in the GENERAL PROGRAM INFORMATION for a description of HCRI Leverage.

Do NOT include program income under Other Resources. DOH grants already awarded to an applicant or revolving loan funds from prior HCRI, HRA, HBR, HSF, or RRP grants are not sources of leverage for the purposes of this application.

Commitment Letters: Letters committing funding must be included in the Appendix section of the application. Commitment letters must be dated within three months of the application.

Commitment letters must include the following information:

- ◆ Time period during which the funds will be available to the applicant.
- ◆ The specific dollar amount being committed.
- ◆ What the funds may be used for and what HOME activity the funds support.
- ◆ Signature of person who is authorized to commit funds on behalf of the source.
- ◆ Typed on letterhead, include date, name and telephone number of person making the commitment.

For local units of government committing their funds a resolution containing the availability, dollar amount, and use of funds is acceptable.

For applicants committing their agency funding, a letter (on agency letterhead and dated) signed by the CEO/Executive Director stating the time period the funds will be available, the dollar amount, and the use of the funds is acceptable.

Commitments of volunteer labor and/or services must indicate the type of service, the housing activity being supported, the amount and cost of volunteer time/services, and the time period during which the services are available. If a value greater than \$10.00/hour is used to calculate volunteer time, provide justification of the higher rate.

Letters from organization/individuals providing donations that will be used for housing activities must include a list of the items donated, estimated value/cost, and the time period during which the donation may be secured.

DOH will examine the reasonableness of the amount of funds committed relative to the service and the number of units projected.

SECTION E: NARRATIVE

Information provided in these sections will help us understand what you plan to do with the funds, the population(s) to be served, why this area needs assistance.

I. Service Area

List the geographic area to be served by this proposal broken out by county, municipality, and or town. For example, Jefferson County; or City of Appleton and the Cities and Towns of Neenah and Menasha; or City of Wausau.

Provide a map of the service area that clearly identifies the boundaries of the service area. For example, outlines the border of the city, county or town. If specific sites or subdivisions have been identified where activities will take place please indicate their location on the map.

II. Housing Need

Describe the gaps in housing for low- and moderate-income households in the proposed service area. Include the source(s) of information.

III. Program Design

Describe how the activity funding requested will fill the housing gaps identified in section II. Housing Need.

As part of the description provide the following information on how your program will be structured to provide assistance and ensure affordability.

The information requested should be presented for each type of activity sequentially. i.e., present all the information for homebuyers, then homeowner rehab, etc.

- **New construction programs** must utilize designs that ensure the unit(s) being constructed is visitable for handicapped individuals.
- **Homebuyer programs** must require the homebuyer to provide a cash contribution from the buyer's resources. The minimum cash contribution is: \$500 for buyers at <50% CMI, \$1,000 for buyers at 51-80% CMI.
- **Homebuyer programs** must provide homebuyer education prior to closing. (see page 11 of GENERAL PROGRAM INFORMATION)
- **Owner-occupied Rehabilitation:** Homeowner rehabilitation **activities that include refinancing must include post-purchase counseling**. Post-purchase counseling must include information on: budgeting, seasonal maintenance of your home, home repairs, homeowner's insurance, and property taxes.
- **Rental programs:** Requires an owner contribution of at least 20% of the total project cost. See pages 10-11 of GENERAL PROGRAM INFORMATION for subsidy limits.

A. Program Assistance:

- a. **Amount of assistance:** Fill in the average amount of assistance the proposed program will provide a household/property owner for the proposed program activity.

For homebuyer programs utilizing both HOME and HCRI include information for each funding source.

Include Balance on Hand October 1, 2012, for HOME Program Income and/or HOME CHDO Proceeds and for HCRI Revolving Loan funds. If you do not operate a HOME program income/CHDO proceeds or HCRI or HCRI revolving fund, please state that in the application.

- b. **Use of Other Resources:** How is amount determined? Are other resources always utilized along with the HOME and/or HCRI assistance?

For **rental activities** discuss how the property owner/landlord's contribution will be documented.

- c. **Use of funds:** What costs will be paid by the HOME or HCRI funds for each activity type? Response should include both hard costs and soft costs.
What security/legal instruments are used to meet the HOME affordability period requirements related to the resale of homebuyer properties? The rent and occupancy requirements of assisted rental property?

B. Housing Affordability:

The intent of the HOME and the HCRI programs is to provide decent, affordable housing to low- and moderate-income households.

- a. **Affordability:** List the front end and back end ratios utilized when calculating affordability. How do you determine that the unit is affordable/sustainable for a homebuyer? If it does not meet the definition of "affordable" what steps do you take?

On an owner-occupied rehab activity, will you help a homeowner refinance to ensure affordability of the home?

How is after-rehabilitation value established for owner-occupied rehab activities?

How is pre-construction value established for new construction/development activities?

- b. **Basis for assistance amount:** Discuss how the amount of HOME assistance or HCRI assistance needed for an applicant is determined.

How is the maximum HOME or HCRI assistance determined for a household?

Do you provide 100% of the rehab assistance?

Is the property owner required to provide a portion of the funds for rehab activities?

- c. **Terms and conditions of assistance:** Is assistance provided as a grant, a loan, or some combination; interest rate; payment structure—deferred, monthly, forgivable.

How often can recipients of owner-occupied rehabilitation request assistance —1 time per contract, 1 time per year, only one time, up to a maximum dollar amount.

Payment of assistance: Do you attend homebuyer loan closings? Or, is assistance provided directly to lender/title company for home purchase? Directly to rehab contractors? Will assistance be a single party or two--party check.

Lease-purchase: Include information on conditions of the lease—progress toward homeownership, set-aside of part of monthly payment toward down payment, etc. How is the monthly lease amount determined? Will agency provide additional HOME funds toward down payment or deed restrict the property?

What is your basis for determining that a project is not eligible for assistance?

- d. **Snapshot of a typical household in your service area (Homebuyer only):** Provide an example of how affordability is determined for homebuyers by completing the table for a “typical” homebuyer.
List the assumptions you made about family size and income, housing purchase price (purchase price should be based on information from your service area).
Homeowner costs should reflect the actual costs in the service area for utilities, taxes, and/or mortgages.

RENTAL HOUSING

Assistance limited to existing housing containing up to four units. The exception is CHDO rental activities developing rental properties of up to and including four (4) units.

- a. **Security Instruments:** HOME-assisted rental units carry rent and occupancy restrictions for varying lengths of time, depending upon the average amount of HOME funds invested per unit. Rent and occupancy requirements must be enforced through covenants running with the property or deed restrictions. See page 7-8 of GENERAL PROGRAM INFORMATION for information on household income/occupancy requirements.
- b. **Subsidy determination:** Discuss the amount of HOME assistance needed for a rental property vs. the owner’s contribution. Discuss documentation utilized to ensure building will cash flow after assistance is provided.
- c. **Terms and conditions of assistance:** Describe your financing strategy. Is assistance provided to the landlord as a grant, a loan, or some combination; interest rate; payment structure—deferred, monthly, or forgivable?
Payment of assistance: Permission from owner to issue check directly to contractors; single-party or two-party checks.
- d. **Tenant procedures:** Describe how current and/or prospective tenants of HOME-assisted rental projects will be notified. Include a copy of your Tenant Assistance Policy and Relocation Notice, if applicable.
- e. **Monitoring:** Describe how you plan to monitor throughout the affordability period. How is annual income certification done? (e.g., all tenants at the same time or at time of lease renewal); Discuss process for ensuring that the HOME-assisted units are rented to eligible tenants throughout the affordability period. What is the process for verifying that the correct rent is being charged for HOME-assisted units?

III. Program Beneficiaries

How do you market your program to reach your target population, assure underserved populations are aware of the program, and reach special needs populations?

Include demographic information for your service area that identifies the population in the area, including race, ethnicity, and family size.

Include a copy of your marketing plan in the Appendix.
It is not sufficient to say you utilize an ongoing waiting list.

If your program utilizes a waiting list:
Do you have priorities for assisting applicants?
How often are waiting lists updated?

CHDO Development Projects must include a market analysis showing a demand for the type of project proposed. For rental development projects, complete the Comparable Data form with comparable data for a minimum of three properties within the project's target market area. Single-family projects should include comparable data for three comparable homes within the project's target market area.

SECTION F: IMPLEMENTATION SCHEDULE

Provide a breakdown by quarter of activities to be accomplished. Contracts will begin January 1, 2013, so the first quarter will end March 31, 2013. The schedule should indicate activities that will be **set-up** by the end of each quarter; including number of homebuyers, owner-occupied households, and rental units to be assisted. You may include a breakout for the specific project areas within the activities.

HCRI: If HOME and HCRI are being used together to provide acquisition assistance, please provide the number of units in both homebuyer assistance and HCRI areas. If you choose to use HCRI funds for both foreclosure prevention and acquisition assistance, include both amounts in the HCRI line, or you may add a line to separate the two activity types.

All activities must be completed by June 30, 2015.

All payment requests and the Contract Completion Report form must be submitted no later than July 31, 2015.

Provide an implementation schedule by calendar quarter including the number of households to be assisted per quarter. Break out the households by buyer, owner, and rental for HOME activities.

If you are proposing a CHDO development project, please complete the CHDO Project Timeline.

SECTION G: APPLICANT PROFILE

1. Include information on agency and/or staff experience with successful implementation of the type of housing activity proposed in this application. Include past owner-occupied rehabilitation, homebuyer, and rental rehabilitation programs.

Have you implemented similar programs using other funding sources? Describe.

Include information on the number of units that were completed in a calendar year.

What was the average time taken to complete a job?

If this is a collaborative application, please provide information regarding the other agency(s) experience with housing programs.

2. Complete the Administrative Capacity Worksheet to show key staff and their responsibilities. The following are instructions for completing this document:
 - Line 1 must list the names of all persons responsible for any of the duties listed in sections 4- 9 of the Administrative Plan Worksheet.
 - Line 2 should list whether the person is a contract service provider (c) or an employee of the applicant (e).
 - Line 3 should provide the number of full years of direct experience that each staff member has with HCRI (HC) and/or HOME (ME).
 - Categories 4-9, for each person that will be responsible for that duty in this grant, please place an "x" in each box that corresponds with the duty listed in the second column. **For staff who will be the primary person responsible for each category, place a "P" in the corresponding category column.** Every row listing a specific duty should have an "x" in the column for one or more identified staff members. The only exception would be if a duty does not apply to the activity that the applicant will undertake.

SECTION I: APPENDIX

Map of the service area

Collaborative Agreements

Working Agreements/Letters

Letters of Commitment of Other Resources

Counseling/Case management curriculum or agenda for Post-Purchase Counseling

Marketing Plan